

HONOLULU STAR BULLETIN (HI)  
22 September 1983

## Trustee Wants to Step Down Rewald Settlement to Take Years

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It will be some time before Ronald R. Rewald's houses, horses and heirlooms are auctioned off to repay creditors some of the millions of dollars they invested in Bishop, Baldwin, Rewald, Dillingham & Wong even though the company now is officially bankrupt.

Interim bankruptcy trustee Thomas Hayes said there are at least two "solid" years of work to be done in the liquidation process.

Before any of Rewald's personal assets can be sold, however, Hayes, or whoever is eventually appointed the permanent trustee, has to go back to federal court and ask that a constructive trust on Rewald's personal items be imposed.

Hayes said this possibly can be achieved through a court order but that there may have to be a

trial on the matter.

THE ONLY OTHER way Rewald's personal belongings, such as his art collection, polo ponies and house fixtures, can be sold is if Rewald agrees to it.

The only things that can be sold now are items belonging to the company, such as office furniture, Hayes said.

Although Rewald, in a court affidavit, claimed the furniture was worth \$2 million, Hayes said the total amount he could get for the furniture is about \$150,000. The company's total assets are less than a million dollars, he said.

Asked where he thought Rewald came up with the \$2 million figure as the value of the furniture, Hayes said, "Fantasyland."

ONE OF THE first things to do in the bankruptcy proceeding is to appoint a permanent trustee. Hayes said he told U.S. Judge Martin Pence Tuesday he wants

to step down but offered his services as an administrator.

"The bankruptcy code does not contemplate the trustee being a full-time person in matters of this sort," Hayes said.

"It requires somebody on a salary basis to do the administrative job that has to be done. A permanent trustee is more of a caretaker, he can't afford to spend the time that a job like this will take."

Just how much work needs to be done is not clear, but Hayes said the process would take at least "two years of solid work. Who knows, we have just seen the very tip of the iceberg."

THE TRUSTEE'S first duty will be to make up a list of schedules as to who is to be paid first with the money raised from the sale of company assets.

At that point, the total list of investors, except for those who specifically ask not to be named, will be made public, Hayes said.

That could occur within 30 days.

The trustee will then look at the "preferential transfers," or money or assets that were dispersed to people up to a year before the company collapsed.

According to bankruptcy laws, the trustee has the right to demand the return of some of lost assets.

Two consultants, it is currently known, received \$210,000 shortly before the company collapsed. That money apparently must be returned.

One of those persons is Jack Kindschi, former head of the CIA office here, who was given \$100,000. The other was Killian Bode. Hayes said, who was given \$70,000.

The trustee then will begin investigating company "wrongdoers" and look at possible lawsuits against them. In the the Holiday Mart bankruptcy, which Hayes handled, more than 30 lawsuits were filed, he said.